GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:755
ANSWERED ON:29.02.2000
REVIEW PHOSPHORIC ACID IMPORT POLICY
ANNA SAHEB M.K. PATIL

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether attention of the Government has been drawn to the news item captioned `Review phosphoric acid import policy` appearing in Financial Express dated 17.12.99;

(b) if so, the reaction of the Government to the observations made therein;

(c) the details of action taken/under consideration to meet short term and long term needs of the industry; and

(d) the total requirement of phosphoric acid alongwith the details of imports made during the last three years?

Answer

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS

(SHRI RAMESH BAIS)
(a) Yes, Sir.

(b)to(d) In the case of phosphates, the paucity of domestic raw material constrains the attainment of any degree of self-sufficiency. Recognising this, a deliberate policy-mix has been adopted which involves the modulation of three options: i) domestic production based on indigenous/imported rock phosphate and imported sulphur; ii) domestic production based on imported intermediates, viz. ammonia and phosphoric acid; and iii) import of finished fertilizer, viz. Di-Ammonium Phosphate (DAP) and very rarely, Mono-Ammonium Phosphate (MAP) andNitrogen Phosphate Potash (NPK) complexes.Roughly 66% of the requirement of phosphatic fertilizers was met through the first two options in 1998-99. Since indigenous rock phosphate supplies meet only 5-10% of the total requirement of P2O5, phosphatic fertilizers produced in the country are essentially based on imported raw materials and intermediates.
Phosphoric Acid is a de-canalised item and anyone is free to import it as per requirement. However, the majority of users of imported phosphoric acid in the fertilizer sector have a consortium under the aegies of Fertilizer Association of India (FAI), which deals with the import of phosphoric acid from various sources. This system is reportedly working well and the fertilizer industry has not faced any difficulty with regard to its availability. Presently, the annual requirement of phosphoric acid is approximately 2.6 million tonnes. Out of this, about 2.1 million tonnes is imported and the balance 0.5 million tonnes is available from domestic sources. The import of phosphoric acid during the last 3 years was as under:
Year Quantity

('000 Tonnes P205)	
1996	1583
1997	2034
1998	2083